

State of Delaware Members

Your life insurance is a cornerstone of your financial security.

As your personal and financial obligations grow, so does the need for life insurance protection. When you marry, buy a home, or have children you need an affordable, flexible way to protect the lifestyle you've built. Enroll in the Group Universal Life (GUL) and Accidental Death and Dismemberment (AD&D) coverage through the State of Delaware.

Overview of group life insurance options

Coverage type	Coverage options	Additional information
Employee Supplemental GUL Life and Accidental Death and Dismemberment (AD&D) <i>Employee-paid</i>	<ul style="list-style-type: none"> One to six times base annual earnings, up to a maximum of \$350,000 	<ul style="list-style-type: none"> Your total coverage amount will be rounded to the next higher \$10,000 AD&D benefit matches the GUL amount AD&D terminates at age 70 Refer to page 3 for more information
Spouse Term Life <i>Employee-paid</i>	<ul style="list-style-type: none"> \$10,000 	<ul style="list-style-type: none"> Employees can also be insured as a spouse if both are eligible State of Delaware employees
Child Term Life <i>Employee-paid</i>	<ul style="list-style-type: none"> \$6,000 per child(ren) 	<ul style="list-style-type: none"> Children are eligible from live birth up to age 19, or the age of 24 if a full-time college student at an accredited institution (disabled children may be eligible to continue coverage beyond these ages) If both parents are State of Delaware employees, each may elect child coverage

Plan features

- **Accidental Death and Dismemberment (AD&D)** — All employees enrolled in the Group Universal Life (GUL) plan are automatically provided with AD&D coverage. This provides an additional insurance benefit if your death results from an accident, or pays a benefit should you suffer a loss from an injury as defined in the plan.
- **Accelerated Death Benefit** — Receive early payment of benefits, up to 100 percent of your face amount if the insured becomes terminally ill with a life expectancy of 12 months or fewer.
- **Portability** — If you leave state employment after July 1, 2009, you will port 50 percent of the GUL coverage amount and any coverage you have on your spouse and children that is in effect on your last day of work. For more information, see page 3.
- **Conversion** — You have an option to convert your group life coverage, including coverage amounts for spouse and/or child(ren) into an individual life policy.

- **Cash Accumulation Account** — You have the opportunity to contribute additional premiums to your policy. Any premium beyond the cost of insurance grows tax-deferred¹ in the cash accumulation account. Your contributions in this account earn interest that is guaranteed not to be less than four percent.
- **Loans** — (*applies to cash accumulation account only*) The minimum loan amount is \$100; the net interest rate is two percent. Loans will reduce both the policy cash value and death benefit.
- **Withdrawals** — (*applies to cash accumulation account only*) The minimum withdrawal is \$100. Withdrawals will reduce both the policy cash value and death benefit. A \$10 service fee applies to each withdrawal.

¹ Under current tax laws, you are not taxed on the interest you accumulate until you withdraw more funds than you have contributed to the program. When you take a cash withdrawal, Minnesota Life first takes the money out from the contributions you made, then from the interest you earned.

Additional service

- **Beneficiary Financial Counseling** — Beneficiaries who receive at least \$25,000 in policy benefits may choose to use independent beneficiary counseling services from PricewaterhouseCoopers LLP (PwC). PwC is a professional services firm with decades of experience in personal financial counseling and education. The PwC financial counseling services are designed to help families understand and address financial decisions at a difficult time. PwC advisors do not sell insurance or investment products, and no information will be given to PwC without your beneficiary's written consent. There is no cost to the employee or beneficiary for this service.

How much does it cost?

The cost of coverage for you (the employee) is based on your current age.

Employee GUL and AD&D (rate per \$1,000 per month)

Age	Rate
Less than 30	\$ 0.052
30 – 34	0.062
35 – 39	0.082
40 – 44	0.112
45 – 49	0.162
50 – 54	0.282
55 – 59	0.442
60 – 64	0.682
65 – 69	1.202
70 – 74	2.130
75 – 79	3.290
80 – 84	5.050
85	5.150
86	5.520

Age	Rate
87	\$ 5.930
88	6.350
89	6.820
90	7.330
91	7.910
92	8.570
93	9.350
94	10.260
95	11.690
96	14.040
97	18.090
98	24.960
99	26.810

Rates increase with age and include Accidental Death and Dismemberment coverage until age 70. Rates are subject to change.

Dependent Term Life (monthly rate)

Option	Monthly Cost
\$10,000 spouse only	\$3.08
\$10,000 spouse/\$6,000 children	4.24*
\$6,000 children	1.16*

*One rate payment covers all eligible children in your family.

Calculate your life insurance cost

Use this example as your guide to calculating your life insurance cost.

Step 1: Determine your amount of coverage	
Example: John Smith, age 35, annual base pay of \$36,000, wants six times base pay of life insurance.	
Your annual base pay	\$36,000
Multiply by one times to six times	x 6
Total	= \$216,000
Round up to next highest \$10,000	
This is your desired coverage amount:	= \$220,000
Step 2: Determine your cost of coverage	
Desired coverage amount from step 1	\$220,000
Divide by 1,000	÷ 1,000
Equals your units of coverage	= 220
Multiply by the rate from the rate table (find your age and rate on the rate table)	x \$.082
This is your monthly cost:	= \$ 18.04
Multiply by 12	x 12
This is your yearly cost of coverage	= \$216.48
Divided by 26	÷ 26
Estimated amount deducted from your paycheck each pay period:	= \$8.33

Please note that the coverage options listed above are subject to the plan maximum, \$350,000.

How to enroll

- **Log on** to Minnesota Life's secure web site at www.lifebenefits.com.
- **To apply for coverage**, select the coverage option you would like, click on the "Apply" button, and follow the instructions that appear.
- **To make a change**, select the "Make Changes" button from the "Your coverage summary" section. You will be brought to a page which presents all aspects of your plan you can change. Click on the "Coverage Change" heading and follow the instructions that appear.

Questions?

Please contact Minnesota Life at 1-877-215-1489.

Important changes to your coverage

"Highest Ever Salary" program for your GUL and AD&D coverage

The State Employee Benefits Committee (SEBC) voted to amend the current Group Universal Life (GUL) and Accidental Death and Dismemberment (AD&D) insurance program to a "Highest Ever Salary" program effective July 1, 2009. This change applies to all benefits-eligible active employees.

Benefits of this change:

- Your Group Universal Life (GUL) and Accidental Death and Dismemberment (AD&D) coverage in effect as of June 30, 2009 is guaranteed not to decrease while you are an active employee based on your annual salary as of that date.
- If in the future your base annual salary increases, your GUL and AD&D coverage will be increased appropriately.
- If in the future your base annual salary decreases (i.e., change your position from full-time to part-time), your GUL and AD&D coverage will remain at the June 30, 2009 coverage amount.
- Cost of coverage will not be affected, unless you choose to change your coverage. You may elect a lower multiple of base annual salary (i.e., three times to two times) or you may request to increase your coverage amount by contacting Minnesota Life at 1-877-215-1489 with proof of good health.
- Current rates will not be affected by the change and will continue to follow the current structure (based on age and coverage amounts).

- Anyone whose last day of employment is on or before June 30, 2009 will port 100 percent of their coverage in effect as of June 30, 2009. Anyone whose last day of employment is on or after July 1, 2009 will port 50 percent of their coverage in effect as of their last day of employment.
- All other plan benefits remain unchanged.

Portability and new maximum coverage amount

To help protect your family's financial security, eligible employees have the opportunity to participate in a Group Universal Life (GUL) insurance plan underwritten by Minnesota Life. GUL is portable coverage. This means you can take the insurance and continue coverage — including Accidental Death and Dismemberment (AD&D) coverage — with you if you leave or retire from State employment.

Anyone whose last day of employment is on or before June 30, 2009 will port 100 percent of their coverage in effect as of June 30, 2009. Anyone whose last day of employment is on or after July 1, 2009 will port 50 percent of their coverage in effect as of their last day of employment. The minimum amount will remain unchanged, at \$10,000.

Premiums will be adjusted at the time of separation to reflect the reduced coverage amount. This change was made to maintain affordable protection at competitive rates.



Insurance needs worksheet

Before buying life insurance, you should bring together your personal financial information and review your family's needs. There are a number of factors to consider when determining how much protection you should have:

- Any immediate needs at the time of death, such as final illness expenses, burial costs and estate taxes;
- Funds for a readjustment period, to finance a move or to provide time for family members to find a job; and
- Ongoing financial needs, such as monthly bills and expenses, daycare costs, college tuition or retirement.

Some financial experts suggest carrying life insurance protection equal to five to seven times your annual take home pay, plus an additional one-times your annual salary for each child under 18. Use this worksheet to help you determine your needs.

Insurance needs calculator

I. Monthly expenses

How much a month would your family need for mortgage or rent? \$ _____

How much a month would your family need to pay for all other debt — utilities, car payment, credit cards, personal loans or daycare? \$ _____

A. **Total monthly expenses** \$ _____

B. **Total annual expenses** (Line A x 12) \$ _____

C. Estimate the number of years your family will need this income _____

D. **Total current income replacement needs** (Line B x Line C) \$ _____

II. Additional expenses

What additional expenses would your family incur in the event of your death — funeral expenses, legal fees or unpaid medical expenses? \$ _____

Estimate the total cost of your children's education (\$10,000 for public, \$20,000 for private — per-year cost) \$ _____

E. **Total additional expenses** \$ _____

III. Current assets

Estimate the amount of personal savings, life insurance or other assets you already have in place \$ _____

Estimate any Social Security benefit you anticipate receiving \$ _____

F. **Total current assets** \$ _____

IV. Need for additional life insurance

Generally, your current assets less your income replacement needs and additional expenses equal the amount of coverage needed

G. **Total current assets** (amount from Line F) \$ _____

H. **Total current income replacement needs and expenses** (Line D + Line E) \$ _____

Additional life insurance needs (Line G – Line H) \$ _____

MINNESOTA LIFE

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This is a summary of plan provisions related to the insurance policy issued by Minnesota Life to the State of Delaware. In the event of a conflict between this summary and the policy and/or certificate, the policy and/or certificate shall dictate the insurance provisions, exclusions, all limitations, and terms of coverage.

This product is offered under policy form series 00-30252.